

Message Text

UNCLASSIFIED

PAGE 01 HONG K 10864 170139Z

70

ACTION XMB-04

INFO OCT-01 EA-09 ISO-00 EB-07 AID-05 TRSE-00 COME-00

OMB-01 CIAE-00 DODE-00 INR-07 NSAE-00 PA-02 USIA-15

PRS-01 SP-02 /054 W

----- 128127

R 170001Z SEP 75

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 6989

UNCLAS HONG KONG 10864

FOR EXIMBANK (GLICK - HOUSTON - TURK)

E.O. 11652: N/A

TAGS: BEXP, HK

SUBJECT: MAJOR PROJECTS: HONG KONG SUBWAY PROJECT GETS GREEN LIGHT

REF: HK 8081

HK 7225 AND OTHERS ALSO

STATE 208126

1. HKG EXECUTIVE COUNCIL MET AS SCHEDULED ON SEPTEMBER 9 AND GAVE FINAL APPROVAL FOR THE HONG KONG MASS TRANSIT RAILWAY PROJECT SUBJECT ONLY TO SATISFACTORY FUNDING ARRANGEMENTS. THE COUNCIL'S APPROVAL WAS FOR THE MODIFIED INITIAL SYSTEM, CHOSEN FOR SEVERAL REASONS INCLUDING (A) ITS SOMEWHAT LOWER COST (B) ITS GREATER ACCEPTABILITY TO LOCAL AND FOREIGN LENDERS AND (C) ITS MORE REALISTIC COST - REVENUE PROJECTIONS. STEPS ARE NOW BEING TAKEN TO TRANSFER PROJECT RESPONSIBILITY FROM THE MTR PROVISIONAL AUTHORITY TO THE MTR CORPORATION AFTER WHICH AWARDS OF CERTAIN INITIAL CONTRACTS WILL BE MADE, PROBABLY SPORADICALLY OVER THE NEXT SIX MONTHS OR MORE AND AS MTRC BUILDS UP ITS STAFF OF ENGINEERING AND OTHER PERSONNEL.

2. PROJECT IS EXPECTED TO COST US\$1 MILLION PLUS BEFORE

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 HONG K 10864 170139Z

ITS COMPLETION WITH TENTATIVE FINANCING SOURCES SEEN AS

ROUGHLY 40 PERCENT FOREIGN GOVERNMENT EXPORT FINANCING,
40 PERCENT BY A CONSORTIUM BEING ORGANIZED BY MANUFACTURERS
HANOVER LTD. (LONDON) 10 PERCENT LOCAL BANKS AND 10
PERCENT OFFSHORE BANKS. MEANWHILE CHAIRMAN-DESIGNATE
OF MTRC (NORMAN THOMPSON) IS PLANNING TRIP TO TOKYO
ON SEPTEMBER 22 FOR MEETINGS WITH JAPANESE SUPPLIERS AND
JAPAN EXPORT IMPORT BANK. LOCAL PRESS SPECULATES
HE WILL BE BARGAINING FOR 7 TO 7-1/2 PERCENT INTEREST RATE
FOR A NINE TO 12 YEAR TERM WITH A THREE YEAR GRACE
PERIOD. HOWEVER, MTRC UNWILLING TO COMMENT AT THIS TIME.

3. HOWARD TURK OF US EXIMBANK IS SLATED TO MEET WITH
THOMPSON SEPTEMBER 24.
CROSS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 17 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975HONGK10864
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750321-0581
From: HONG KONG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750944/aaaabnao.tel
Line Count: 75
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 HONG KONG 8081
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 10 MAR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 MAR 2003 by maustmc>; APPROVED <04 FEB 2004 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECTS: HONG KONG SUBWAY PROJECT GETS GREEN LIGHT
TAGS: BEXP, HK
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006